## Chairman David M. McIntosh

## **Opening Statement**

## The White House Global Climate Change Initiative and Congressional Review Act Implementation: Is OMB Hiding the Truth about New Regulations and Programs? June 17, 1998

The purpose of today's hearing is to examine the record of the Office of Management and Budget in telling the American people the truth about new federal programs and regulations.

In particular, we will address two issues: (1) OMB's cooperation, or lack of cooperation, with the Subcommittee's requests for information regarding the White House Climate Change Initiative, including OMB's review of pending letters of response from specific agencies; and (2) OMB's progress, or lack of progress, in implementing the Congressional Review Act (CRA).

I want to welcome Mr. Ed **DeSeve**, OMB's Acting Deputy Director for Management, responsible for regulatory affairs.

I want to welcome also Mr. Bob Murphy, the General Counsel of the General Accounting Office. Bob testified before the Subcommittee in March on CRA implementation. Bob, I want to thank you from the outset for the strong leadership and consistent commitment you and your staff have shown by working with OIRA and the Subcommittee to make the CRA work as it was intended to work.

This hearing is about information. Congress and the American people have a right to know the facts about new regulations and programs — <u>before</u> those regulations and programs go into effect.

They have a right to know where their tax dollars are going and how these new regulations and programs will affect their lives and livelihoods.

What are the costs and benefits?

What will it cost families and local communities?

How will it affect workers and small businesses?

The American people have a right to know the answers to these basic questions.

But, in the case of the Administration's climate change policies and in getting useful information about all new regulations, Congress and the public are not getting these answers.

These are OMB's responsibilities, and, in both areas, the Subcommittee is concerned about the job OMB is doing. OMB has been unresponsive to the Subcommittee's efforts to obtain information and documents that would justify the President's Budget request for \$6.3 billion in

additional funding from Fiscal Year (FY) 99 to FY 2003 for the "Climate Change Technology Initiative" (CCTI) and other funding for climate change programs and activities. These other categories include part of the \$1.9 billion U.S. Global Change Research Program, and various other programs and activities, including a \$250 million request for the Agency for International Development (AID) to award grants, contracts, loans, and loan guarantees for climate change activities.

Although we wrote to OMB in March, we are still seeking information and documents regarding OMB's own analysis of the President's budget request and other documents and information regarding OMB's role in reviewing: (1) other agencies' responses to our March oversight questions and (2) draft testimony (and agency comments thereon) by Administration officials who are attempting to defend the President's budget request for climate change and the Kyoto Protocol.

Only today has my staff been able to review at the White House a handful of previously withheld documents in OMB's and CEQ's files which we requested in March. The documents made available today include comments from Energy and Justice critical of the draft testimony of CEA Chair Janet Yellen's so-called economic analysis and some previously withheld data that underlies the Administration's climate change policy options. Lastly, the available documents reveal that, as early as February 1996, the Administration was projecting command-and-control regulatory mechanisms in its post-2000 climate change options.

It is also clear from this review that many documents in OMB's and CEQ's files requested in March are still being withheld. For example, no post-Kyoto documents from CEQ were made available today. And boxes and boxes of documents from the other agencies are still awaiting review by the White House Counsel.

In short, Congress has not been provided sufficient information to evaluate the President's budget request. For example, despite the requirements of the Government Performance and Results Act, OMB has identified <u>no</u> government-wide program performance measures, and the agencies identified only a few outcome measures for their dozens of climate change programs, including many new activities. And, despite the requirement in the Kyoto Protocol for the United States to reduce greenhouse gas emissions 7 percent below 1990 levels, EPA says "Performance for these programs is not measured against a 1990 base year" and "performance measures are not applicable for 1990 because the programs did not exist at that time." Is Congress being asked to expend huge sums without a road map to understand how they would contribute to meeting the Kyoto target?

Today we will also address OMB's performance of its responsibility to coordinate agency compliance with the Congressional Review Act.

In particular, OIRA is responsible for overseeing and providing guidance to the agencies on compliance with the Congressional Review Act, or CRA, which requires the agencies to file certain reports with Congress for each new rule before that rule can legally take effect. If it's not reported, its an illegal rule, plain and simple.

The GAO has found that despite the law, the agencies have failed to report hundreds of other rules, including many rules that have a major impact on small business.

Here again, OMB should be taking the lead and providing the agencies guidance in order to facilitate the free flow of regulatory information to the American people and their elected representatives. Instead, here again, OMB is the bottleneck.

The Subcommittee held a hearing on OIRA's implementation of CRA on March 12 of this year to bring GAO and OIRA together to cooperate on CRA implementation. Regrettably, OMB refused to send a politically accountable representative to that hearing. In my 3 years as Chairman of OIRA's authorizing and oversight committee, I have never observed a more blatant gesture of defiance.

Today, Bob Murphy will report on GAO's efforts to work with OIRA in implementing the CRA since the March 12 hearing. We applaud the efforts of the GAO in particular, whose staff have worked closely with the Subcommittee to build up the reporting process.

But GAO can't do it all. What the agencies need most is strong leadership and guidance from OMB.

By holding back key information from Congress, OMB is denying the American People their right to know the Administration's real agenda on climate change and on new regulations in general. Time and again, OMB has bottle necked the flow of information from the agencies to the people's elected representatives.

I want to know what they're hiding, and why they're hiding it.

I will continue to investigate OMB and hold hearings until the full truth about the President Clinton and Vice President Gore's Climate Change Initiative comes to light, and until the CRA is fully implemented.